

September 10, 2014

Dr. Kali P. Chaudhuri
Chairman
Strategic Global Management
6800 Indiana Avenue, Suite 130
Riverside, California 92506

Dear Dr. Chaudhuri;

I wanted to thank you for selecting Rendina Healthcare Real Estate ("Rendina") to assist you in your acquisition of the Daughters of Charity Health System ("DOC") by having Rendina acquire the medical office buildings in the DOC portfolio. We have taken a tour of these facilities and have had a chance to do substantial underwriting based on the information provided by Houlihan Lokey. Our initial look was informative and we feel confident in making this proposal to you based on our initial review.

RENDINA HISTORY

Rendina is a nationally distinguished owner and developer of healthcare real estate.. Over the course of 27 years, Rendina has developed 98 facilities and acquired over \$300,000,000 in medical office facilities. We have offices in 7 states (including California) and have been involved in over \$2.5 billion in healthcare real estate transactions and we have never defaulted on a loan. We believe ethical business leads to repeat business and repeat business is the most important business. We are proud of the fact that 75% of Rendina's business is repeat business.

We have partnered with 5 of the 10 largest healthcare systems in the nation. We provide a full spectrum of services, including leasing and property management of owned and separately owned facilities. Our operations division is highly regarded in the industry and 85% of our physician tenants historically renew their leases. Finally, as stewards of the communities in which we serve, Rendina has distributed more than \$5.75 million in donations and sponsorships.

ACQUISITION PROPOSAL

The following is a summary of the major terms of our proposal:

| | |
|-----------------|---|
| Purchase Price: | \$91,500,000 (Ninety One Million Five Hundred Thousand Dollars) |
|-----------------|---|

Closing: To be concurrent with the closing of the acquisition of
DOC by Dr. Chaudhuri

Terms: All Cash, payable at closing

Escrow Deposit: \$10,000,000 (Ten Million Dollars)

Purchase & Sale
Agreement: To be finalized no later than October 31, 2014

Assets to be purchased:

1. St. Vincent Professional Office Building
201 S. Alvarado St.
Los Angeles, Ca. 90057
2. St. Vincent MTTC Building
2200 W. 3rd. St.
Los Angeles, Ca. 90057
3. St. Vincent Ocean View Pavillion
2222 Ocean View Ave
Los Angeles, Ca. 90057
4. O'Connor Medical Office Building
2101 Forest Ave.
San Jose, Ca. 95128
5. Clarmar Medical Office Building
2030 Forest Ave.
San Jose, Ca. 95128
6. Barclay Medical Office Condo
2039 Forest Ave.
San Jose, Ca. 95128
7. Seton Serramonte Medical Center
1500 Southgate Ave.
Daly City, Ca. 94015
8. Seton SMOC #1 Medical Office Building
1800 Sullivan Ave.
Daly City, Ca. 94015
9. Seton - SMOC #2 Medical Office Building
1850 Sullivan Ave.
Daly City, Ca. 94015

10. Huntington Park Medical Office Building
2700 E. Slauson Ave.
Huntington Park, Ca. 90255
11. Maywood Medical Office Building
5953 Atlantic
Maywood, Ca. 90270
12. Morgan Hill Medical Office Building (including land
and adjacent vacant hospital)
18550 Saint Louise Dr.
Morgan Hill, Ca. 95037

SUMMARY

As stated earlier in this letter, we have completed a preliminary review of the information provided by Houlihan Lokey and are very comfortable in extending this proposal to you. In addition, you should note that the Purchase Price for the medical office buildings was calculated assuming that the hospital system would "gap lease" the existing vacant space for ten (10) years, at current rents, sufficient to take the portfolio to a ninety-five percent (95%) occupancy level.

In preparing our proposal, we have relied on the information provided by Houlihan Lokey and have assumed that the buildings have clear title, are free of environmental contamination, and do not need structural upgrades to comply with seismic requirements. We have extensive experience in underwriting medical office building acquisitions and feel that the purchase price and other terms we have negotiated are fair. Based on the due diligence we have performed to date, and our past experience, we do not anticipate any issues with our final diligence and with closing. All of the above described terms and conditions are subject to our final due diligence and equity requirements on the buildings. We expect to have the PSA negotiated and signed no later than October 31, 2014.

We appreciate the opportunity to be your real estate partner. We have a history of working extremely well with hospital management, and we look forward to adding you to our list of satisfied partners.

Sincerely,



Richard M. Rendina
Chief Executive Officer
Rendina Healthcare Real Estate